

Sources of Additional Information

Information about career opportunities in management consulting is available from:

• The Association of Management Consulting Firms, 3580 Lexington Ave., Suite 1700, New York, NY 10168.

Internet: <http://www.amcf.org>

Information about the Certified Management Consultant designation can be obtained from:

• The Institute of Management Consultants, 1200 19th St. NW., Suite 300, Washington DC 20036. Internet: <http://www.imcusa.org>

For information about a career as a State or local government management analyst, contact your State or local employment service. Information on obtaining a management analyst position with the Federal Government may be obtained from the Office of Personnel Management through a telephone based system. Consult your telephone directory under U.S. Government for a local number or call (912) 757-3000; TDD (912) 744-2299. That number is not tollfree and charges may result. Information also is available from their Internet site: <http://www.usajobs.opm.gov>

Property, Real Estate, and Community Association Managers

(O*NET 15011B)

Significant Points

- Most enter the occupation as on-site managers of apartment complexes, condominiums, or community associations, or as assistant managers at large property management firms.
- Opportunities should be best for those with college degrees in business administration or related fields.
- Almost one half were self-employed, three times the average for all executive, administrative, and managerial occupations.

Nature of the Work

Many people own some type of real estate, such as a house. To businesses and investors, however, properly managed real estate is a potential source of income and profits rather than a place of shelter. Property, real estate, and community association managers maintain and increase the value of real estate investments for investors. *Property and real estate managers* oversee the performance of income-producing commercial or residential properties; *community association managers* manage the communal property and services of condominium or community associations.

When owners of apartments, office buildings, retail, or industrial properties lack the time or expertise needed for day-to-day management of their real estate investments, they often hire a property or real estate manager. The manager is either directly employed by the owner or indirectly employed through a contract with a property management firm.

Property managers handle the financial operations of the property, insuring that mortgages, taxes, insurance premiums, payroll, and maintenance bills are paid on time. Some property managers, called *asset property managers*, supervise the preparation of financial statements and periodically report to the owners on the status of the property, occupancy rates, dates of lease expirations, and other matters.

If necessary, property managers negotiate contracts for janitorial, security, groundskeeping, trash removal, and other services. When contracts are awarded competitively, managers solicit bids from several contractors and recommend to the owners which bid to accept. They monitor the performance of contractors, and investigate and resolve complaints from residents and tenants when services are not properly provided. Managers also purchase supplies and equipment



Property managers coordinate with maintenance staff to inspect the grounds, facilities, and equipment to determine if repairs or maintenance are needed.

for the property, and make arrangements with specialists for repairs that cannot be handled by regular property maintenance staff.

In addition to these duties, property managers must understand and comply with provisions of legislation, such as the Americans with Disabilities Act and the Federal Fair Housing Amendment Act, as well as local fair housing laws. They must insure that their renting and advertising practices are not discriminatory and that the property itself complies with State and Federal regulations.

On-site property managers are responsible for day-to-day operations for one piece of property, such as an office building, shopping center, or apartment complex. To insure the property is safe and being maintained properly, on-site managers routinely inspect the grounds, facilities, and equipment to determine if repairs or maintenance are needed. They meet not only with current residents when handling requests for repairs or trying to resolve complaints, but also with prospective residents or tenants to show vacant apartments or office space. On-site managers are also responsible for enforcing the terms of rental or lease agreements, such as rent collection, parking and pet restrictions, and termination-of-lease procedures. Other important duties of on-site managers include keeping accurate, up-to-date records of income and expenditures from property operations and the submission of regular expense reports to the asset property manager or owners.

Property managers who do not work on-site act as a liaison between the on-site manager and the owner. They also market vacant space to prospective tenants through the use of a leasing agent, advertising, or by other means, and establish rental rates in accordance with prevailing local conditions.

Some property managers, often called *real estate asset managers*, act as the property owners' agent and adviser for the property. They plan and direct the purchase, development, and disposition of real estate on behalf of the business and investors. These managers focus on long-term strategic financial planning rather than day-to-day operations of the property.

When deciding to acquire property, real estate asset managers take several factors into consideration, such as property values, taxes, zoning, population growth, and traffic volume and patterns. Once a site is selected, they negotiate contracts for the purchase or lease of the property, securing the most beneficial terms. Real estate asset managers periodically review their company's real estate holdings and identify properties that are no longer financially attractive. They then negotiate the sale or termination of the lease of properties selected for disposal. For more information, see the statement on real estate agents and brokers, located elsewhere in the *Handbook*.

The work of community association managers differs from that of other residential property managers. Instead of renters, they interact on a daily basis with homeowners—members of the community association employing the manager. Hired by the volunteer board of directors of the association, the community association manager administers the daily affairs and oversees the maintenance of property and facilities that the homeowners own and use jointly through the association. Smaller community associations usually cannot afford professional management, but managers of larger condominiums or homeowner associations have many of the same responsibilities as the managers of large apartment complexes. Some homeowner associations encompass thousands of homes, and, in addition to administering the associations' financial records and budget, their managers are responsible for the operation of community pools, golf courses, community centers, and the maintenance of landscaping and parking areas. Community association managers may also meet with the elected boards of directors to discuss and resolve legal and environmental issues or disputes between neighbors.

Property managers who work for land development companies acquire land and plan construction of shopping centers, houses, apartments, office buildings, or industrial parks. They negotiate with representatives of local governments, other businesses, community and public interest groups, and public utilities to eliminate obstacles to the development of land and gain support for a planned project. It sometimes takes years to win approval for a project, and in the process managers may have to modify plans for the project many times. Once they are free to proceed with a project, managers negotiate short-term loans to finance the construction of the project, and later negotiate long-term permanent mortgage loans. They then contract with architectural firms to draw up detailed plans, and with construction companies to build the project.

Working Conditions

Offices of most property managers are clean, modern, and well-lighted. However, many spend a major portion of their time away from their desks. On-site managers in particular may spend a large portion of their workday away from their office visiting the building engineer, showing apartments, checking on the janitorial and maintenance staff, or investigating problems reported by tenants. Property managers frequently visit the properties they oversee, sometimes on a daily basis when contractors are doing major repair or renovation work. Real estate asset managers may spend time away from home while traveling to company real estate holdings or searching for properties that might be acquired.

Property managers often must attend meetings in the evening with residents, property owners, community association boards of directors, or civic groups. Not surprisingly, many property managers put in long work weeks, especially before financial and tax reports are due. Some apartment managers are required to live in apartment complexes where they work so they are available to handle any emergency that occurs when they are off duty. They usually receive compensatory time off for working nights or weekends. Many apartment managers

receive time off during the week so that they are available on weekends to show apartments to prospective residents.

Employment

Property managers held about 315,000 jobs in 1998. Most worked for real estate operators and lessors or for property management firms. Others worked for real estate development companies, government agencies that manage public buildings, and corporations with extensive holdings of commercial properties. Almost one half of property managers were self-employed.

Training, Other Qualifications, and Advancement

Most employers prefer to hire college graduates for property management positions. Entrants with degrees in business administration, accounting, finance, real estate, public administration, or related fields are preferred, but those with degrees in the liberal arts may also qualify. Good speaking, writing, computer, and financial skills, as well as an ability to deal tactfully with people, are essential in all areas of property management.

Most people enter property management as an on-site manager of an apartment complex, condominium, or community association, or as an assistant manager at a large property management firm. As they acquire experience working under the direction of a property manager, they may advance to positions with greater responsibility at larger properties. Those who excel as on-site managers often transfer to assistant property manager positions where they can acquire experience handling a broad range of property management responsibilities.

Previous employment as a real estate agent may be an asset to on-site managers because it provides experience useful in showing apartments or office space. In the past, those with backgrounds in building maintenance have advanced to on-site manager positions on the strength of their knowledge of building mechanical systems, but this is becoming less common as employers are placing greater emphasis on administrative, financial, and communication abilities for managerial jobs.

Although most people entering jobs such as assistant property manager do so on the strength of on-site management experience, employers are increasingly hiring inexperienced college graduates with bachelor's or master's degrees in business administration, accounting, finance, or real estate for these positions. Assistants work closely with a property manager and learn how to prepare budgets, analyze insurance coverage and risk options, market property to prospective tenants, and collect overdue rent payments. In time, many assistants advance to property manager positions.

The responsibilities and compensation of property managers increase as they manage more and larger properties. Most property managers are responsible for several properties at a time, and as their careers advance they are gradually entrusted with larger properties whose management is more complex. Many specialize in the management of one type of property, such as apartments, office buildings, condominiums, cooperatives, homeowner associations, or retail properties. Managers who excel at marketing properties to tenants may specialize in managing new properties, while those who are particularly knowledgeable about buildings and their mechanical systems might specialize in the management of older properties requiring renovation or more frequent repairs. Some experienced property managers open their own property management firms.

Persons most commonly enter real estate asset manager jobs by transferring from positions as property managers or real estate brokers. Real estate asset managers must be good negotiators, adept at persuading and handling people, and good at analyzing data to assess the fair market value of property or its development potential. Resourcefulness and creativity in arranging financing are essential for managers who specialize in land development.

Many employers encourage attendance at short-term formal training programs conducted by various professional and trade associations active in the real estate field. Employers send managers to these programs to improve their management skills and expand their

knowledge of specialized subjects, such as the operation and maintenance of building mechanical systems, enhancing property values, insurance and risk management, personnel management, business and real estate law, tenant relations, communications, and accounting and financial concepts. Managers also participate in these programs to prepare themselves for positions of greater responsibility in property management. Completion of these programs, together with related job experience and a satisfactory score on a written examination, leads to certification, or the formal award of a professional designation, by the sponsoring association. In addition to these qualifications, some associations require their members to adhere to a specific code of ethics. Some of the organizations offering such programs are listed at the end of this statement.

Managers of public housing subsidized by the Federal Government are required to be certified, but many property managers, who work with all types of property, choose to earn a professional designation voluntarily because it represents formal industry recognition of their achievements and status in the occupation. Real estate asset managers who buy or sell property are required to be licensed by the State in which they practice.

Job Outlook

Employment of property, real estate, and community association managers is projected to increase as fast as the average for all occupations through the year 2008. Many job openings are expected to occur as property managers transfer to other occupations or leave the labor force. Opportunities should be best for those with a college degree in business administration, real estate, or a related field; as well as those who attain a professional designation.

Growth in the demand for on-site property managers will be greatest in several areas. In commercial real estate, the demand for managers is expected to accompany the projected expansion in wholesale and retail trade; finance, insurance, and real estate; and services. Some additional employment growth will come from expansion of existing buildings.

An increase in the Nation's stock of apartments and houses also should require more property managers. Developments of new homes are increasingly being organized with community or homeowner associations that provide community services and oversee jointly owned common areas, requiring professional management. To help properties become more profitable, more commercial and multi-unit residential property owners are expected to place their investments in the hands of professional managers.

Growth in demand should also arise as a result of the changing demographic composition of the population. The number of older people will increase during the projection period, creating a need for various types of suitable housing, such as assisted living arrangements and retirement communities. Accordingly, there will be a need for property managers to operate these facilities, especially those who have a background in the operation and administrative aspects of running a health unit.

Earnings

Median annual earnings of salaried property, real estate, and community association managers were \$29,930 in 1998. The middle 50 percent earned between \$21,020 and \$43,080 a year. The lowest 10 percent earned less than \$14,570 and the highest 10 percent earned more than \$74,500 a year. Median annual earnings of salaried property, real estate, and community association managers in 1997 were \$29,700 in the real estate agents and managers industry and \$26,900 in the real estate operators and lessors industry.

Many resident apartment managers receive the use of an apartment as part of their compensation package. Property managers often are given the use of a company automobile, and managers employed in land development often receive a small percentage of ownership in projects they develop.

Related Occupations

Property managers plan, organize, staff, and manage the real estate operations of businesses. Workers who perform similar functions in other fields include city managers, education administrators, facilities managers, health services managers, hotel managers and assistants, real estate agents and brokers, and restaurant and food service managers.

Sources of Additional Information

General information about education and careers in property management is available from:

- ☛ Institute of Real Estate Management, 430 N. Michigan Ave., Chicago, IL 60611. Internet: <http://www.irem.org>
- ☛ International Council of Shopping Centers, 665 5th Ave., New York, NY 10022. Internet: <http://www.icsc.org>

For information on careers and certification programs in commercial property management, contact:

- ☛ Building Owners and Managers Association International, 1201 New York Ave. NW., Suite 300, Washington, DC 20005.

Internet: <http://www.boma.org>

- ☛ Building Owners and Managers Institute, 1521 Ritchie Hwy., Arnold, MD 21012. Internet: <http://www.bomi-edu.org>

For information on careers and certification programs in residential property management, contact:

- ☛ Community Associations Institute, 1630 Duke St., Alexandria, VA 22314. Internet: <http://www.caionline.org>

- ☛ National Apartment Association, 201 N. Union St., Suite 200, Alexandria, VA 22314. Internet: <http://www.naahq.org>

- ☛ National Association of Residential Property Managers, 6300 Dutchmans Pkwy., Louisville, KY 40205.

Internet: <http://www.narpm.org>

Purchasing Managers, Buyers, and Purchasing Agents

(O*NET 13008, 21302, 21305A, 21308A)

Significant Points

- Computerization has reduced the demand for lower-level buyers.
- About one-half were employed in wholesale trade or manufacturing establishments.

Nature of the Work

Purchasing managers, buyers, and purchasing agents seek to obtain the highest quality merchandise at the lowest possible purchase cost for their employers. In general, *purchasers* buy goods and services for their company or organization, whereas some *buyers* buy items for resale. They determine which commodities or services are best, choose the suppliers of the product or service, negotiate the lowest price, and award contracts that ensure the correct amount of the product or service is received at the appropriate time. In order to accomplish these tasks successfully, purchasing managers, buyers, and purchasing agents study sales records and inventory levels of current stock, identify foreign and domestic suppliers, and keep abreast of changes affecting both the supply of and demand for products and materials for which they are responsible.

Purchasing managers, buyers, and purchasing agents evaluate suppliers based upon price, quality, service support, availability, reliability, and selection. To assist them in their search, they review catalogs, industry periodicals, directories, trade journals, and Internet sites. They research the reputation and history of the suppliers and may advertise anticipated purchase actions in order to solicit bids. At meetings, trade shows, conferences, and visits to suppliers' plants and distribution centers, they examine products and services, assess a supplier's production and distribution capabilities, and discuss